

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive assistance, under the HCV program, the family must submit an application that provides MSHDA with the information needed to determine the family's eligibility. HUD requires MSHDA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, MSHDA must select families from the waiting list in accordance with HUD requirements and MSHDA policies as stated in the administrative plan and the annual plan.

MSHDA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or MSHDA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that MSHDA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that MSHDA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and MSHDA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how MSHDA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how MSHDA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process MSHDA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide MSHDA in selecting families for HCV assistance as such assistance becomes available. It also specifies how MSHDA will obtain information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes MSHDA's policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes MSHDA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

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4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits MSHDA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by MSHDA. MSHDA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of MSHDA's application.

MSHDA Policy

MSHDA will utilize a two-step application process.

Under the two-step application process, MSHDA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Families submit application to MSHDA on-line, via MSHDA's web-based Applicant Portal. As a reasonable accommodation to applicants with disability, MSHDA will accept applications via telephone during normal business hours.

Applications must be complete in order to be accepted by MSHDA for processing. If an application is incomplete, MSHDA will reject the application and will notify the family of the additional information required.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

MSHDA must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard MSHDA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). MSHDA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or MSHDA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of MSHDA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

MSHDA is required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on MSHDA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

MSHDA must review each complete application received and make a preliminary assessment of the family's eligibility. MSHDA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance)

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for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, MSHDA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

MSHDA Policy

If MSHDA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. When a family is determined to be ineligible, MSHDA will send written notification of the ineligibility determination within 10 business days of receiving a complete application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

Eligible for Placement on the Waiting List

MSHDA Policy

MSHDA's Applicant Portal will provide an automated written notification of the preliminary eligibility verification at the time the application is completed and submitted.

For phone applications submitted as a reasonable accommodation for persons with disability, MSHDA will provide a written determination of preliminary eligibility within 10 business days of receiving a complete application. The written verification may be provided via U.S. Mail, e-mail, or fax.

Placement on the waiting list does not indicate that the family is eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by MSHDA.

The applications will be placed on the waiting list using one of the following methods:

- 1) First Come, First Served Placement Method
- 2) Random Sort/Lottery Placement Method

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

MSHDA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

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In addition, HUD imposes requirements on how MSHDA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]

MSHDA's HCV waiting list must be organized in such a manner to allow MSHDA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size (PBV only);
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires MSHDA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

MSHDA Policy

MSHDA will maintain a separate HCV program waiting list for each county served by MSHDA. MSHDA may maintain a separate waiting list in each county for the PBV program, or may combine the PBV waiting list with the HCV waiting list.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program MSHDA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

MSHDA Policy

MSHDA may merge the HCV waiting list with the waiting list for any other program MSHDA operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

MSHDA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, MSHDA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

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MSHDA Policy

MSHDA may close the waiting list after a three month period or when the estimated waiting period for housing assistance for applicants on the list reaches 12 months for the most current applicants. Where MSHDA has particular preferences or funding criteria that require a specific category of family, such as homeless or project based vouchers (PBV), MSHDA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until MSHDA publishes a public notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

MSHDA Policy

MSHDA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

MSHDA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

- MSHDA Website
- MSHDA Facebook Page
- MSHDA Twitter
- The newspaper of general circulation in the county(s) in which MSHDA intends to open the waiting list
- Media that serves minority communities in the county(s) in which MSHDA intends to open the waiting list

4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]

MSHDA must conduct outreach as necessary to ensure that MSHDA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires MSHDA to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), MSHDA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

MSHDA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program

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- Avoiding outreach efforts that prefer or exclude people who are members of a protected class
- MSHDA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:
- Submitting press releases to local newspapers, including minority newspapers
 - Developing informational materials and flyers to distribute to other agencies
 - Providing application forms to other public and private agencies that serve the low income population
 - Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

MSHDA Policy

MSHDA will monitor the characteristics of the population being served and the characteristics of the population as a whole in MSHDA's jurisdiction. Targeted outreach efforts will be undertaken when it is determined that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

MSHDA Policy

While the family is on the waiting list, the family must immediately, no later than 10 business days from the date of change, inform MSHDA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing to designated MSHDA staff or completed by the family through the Applicant Portal.

For targeted funding and project based voucher applicants, the applicant must also update changes (addition or deletions) in family composition.

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires MSHDA to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to MSHDA request for information or updates, and MSHDA determines that the family did not respond because of the family member's disability, MSHDA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

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MSHDA Policy

MSHDA reserves the right to purge the waiting list by removing (deleting) all applications that were not selected during the 12-month period that began on the date the waiting list was closed.

Removal from the Waiting List

MSHDA Policy

If at any time an applicant family is on the waiting list and MSHDA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.

If a family is removed from the waiting list because MSHDA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding MSHDA's decision (see Chapter 16) [24 CFR 982.201(f)].

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PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families are selected from the waiting list depends on the selection method chosen by MSHDA and is impacted in part by any selection preferences for which the family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

MSHDA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to MSHDA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, MSHDA may admit such families whether or not they are on the waiting list, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. MSHDA must maintain records showing that such families were admitted with special program funding.

MSHDA Policy:

MSHDA administers the following programs: Housing Conversion Actions

Targeted Funding [24 CFR 982.204(e)]

HUD may award MSHDA funding for a specified category of families on the waiting list. MSHDA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, MSHDA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

MSHDA Policy

MSHDA administers the following types of targeted funding:

- VASH
- Non-Elderly Disabled (NED) (formerly Mainstream I)
- Mainstream 5
- Rental Assistance Demonstration Program (RAD)

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Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

MSHDA must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that MSHDA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

MSHDA is permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits MSHDA to establish other local preferences, at its discretion. Any local preferences established must be consistent with MSHDA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

MSHDA Policy

MSHDA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding.

A homeless preference is only assigned when the applicant is a Michigan resident.

Homeless 2 Points

Residency 1 Point

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during MSHDA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher. To ensure this requirement is met, MSHDA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

MSHDA Policy

MSHDA will monitor progress in meeting the income targeting requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

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Order of Selection

MSHDA system of preferences may select families based on local preferences according to the date and time of application, or by a random selection process [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

MSHDA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with MSHDA's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected according to the date and time assigned to the completed application. Documentation will be maintained by MSHDA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that MSHDA does not have to ask higher placed families each time targeted selections are made.

If the applicant claimed a residency preference on their original or updated application, residency preference verification documentation must be received by MSHDA at the time the applicant is pulled from the waiting list.

Proof that that the head of household, spouse, or co-head currently lives in the County:

- A copy of a valid driver's license which includes a current address
- A copy of a valid state ID card which includes a current address
- A copy of a valid Medicaid card which includes a current address
- A valid Social Security printout letter which includes a current address
- A copy of a valid voter's registration card which includes a current address
- A letter from the Homeless Shelter, HARA, or Lead Agency indicating residency

Proof that the head of household, spouse, or co-head currently works in the County:

- A letter from the employer stating the applicant is employed in the County.
- A letter from the employer stating the applicant will be employed in the County.
- A copy of a valid paycheck stub with the employer's address showing the business is located in the County.

MSHDA's admission income eligibility criteria is that 80% of new admissions must be extremely low income families and up to 20% of new admissions must be very low income families.

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4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, MSHDA must notify the family. [24 CFR 982.554(a)].

MSHDA Policy

MSHDA generally does not conduct face-to-face interviews to collect the application and supporting documents. Families are required to return the application and supporting documents.

MSHDA will notify the family by first class mail no later than 10 business days from the date of selection from the waiting list. The notice will inform the family of the following:

Deadline to submit the application form and required documents to MSHDA, including any procedures for requesting an extension to the deadline.

Documents that must be submitted to MSHDA, including information about what constitutes acceptable documentation.

In order to verify that copies of documents submitted by the applicant are true and correct, applicants will be required to provide original documents at the voucher-issuance briefing appointment. MSHDA staff will compare copies in the applicant's file with the original documents hand-carried by the family. MSHDA staff will note "Viewed Original Documents" or "VOD", initial, and date the MSHDA copy of all documents after MSHDA views and confirms that copies of originals are correct and have not been altered.

If a notification letter is returned to MSHDA with no forwarding address, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record.

4-III. E. THE APPLICATION INTERVIEW

HUD recommends that MSHDA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a MSHDA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if MSHDA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by MSHDA [Notice PIH 2010-3].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

MSHDA Policy

MSHDA typically does not conduct face-to-face interviews to collect the application and supporting documents. Families are required to return the application and supporting documents.

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Families selected from the waiting list may be required to participate in an eligibility interview.

When face-to-face interviews are required, the head of household and the spouse/co-head will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/co-head may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to MSHDA.

The head of household or spouse/co-head must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, at the time of the interview, he or she will be required to provide it within 10 business days.

Pending disclosure and documentation of social security numbers, MSHDA will allow the family to retain its place on the waiting list for a maximum of 90 days. If not all household members have disclosed their SSNs at the next time MSHDA is issuing vouchers, MSHDA will issue a voucher to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, MSHDA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview, or is not part of the packet of information provided by the family via mail, must be provided within 10 business days of the interview. (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

4-III.F. COMPLETING THE APPLICATION PROCESS

MSHDA must verify all information provided by the family (see Chapter 7). Based on verified information, MSHDA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted funding admission, or selection preference that affected the order in which the family was selected from the waiting list.

MSHDA Policy

If MSHDA determines that the family is ineligible, MSHDA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

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If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. MSHDA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it. If MSHDA determines that the family is eligible to receive assistance, MSHDA will invite the family to attend a briefing in accordance with the policies in Chapter 5.